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of the  
Social Science Research Council

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Univ of Michigan  
Medical Economics  
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911105 APR 8 1940 WEBBINK, DIRECTOR  
725 JACKSON PLACE, N. W.  
WASHINGTON, D. C.  
6, 1940

Dr. Joseph H. Willits  
Rockefeller Foundation  
49 West 49th Street  
New York City, N. Y.

Dear Dr. Willits:

This is the promised summary of the principal points concerning the prospective proposal which we discussed Thursday morning. It happens that Dr. Sinai will be in New York for the next week, leaving for Ann Arbor again on April 15. If you or Dr. Gregg should wish to talk to him directly, he may be reached at the offices of the Associated Hospital Service, 370 Lexington Avenue.

(1) Voluntary health insurance plans are growing rapidly in number and importance. There is of course the possibility that federal health insurance legislation will be enacted but at the moment that seems less imminent than it did a year ago. In the meantime the voluntary group plans are entering upon relatively large-scale operations. If government health insurance does not materialize soon, or at all, the next few years may well determine the pattern of organized medical care (non-relief care, that is) for a good many years to come. If government health insurance legislation does reach the stage

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of earnest congressional consideration, careful and non-partisan analysis of the experience of the group plans would provide the best basis for treating factually the contentions which may be made. There is a very great danger that the opportunity to make a systematic and thoughtful record of experience will be missed. It should be borne in mind that the nearly three years (in 1933-35) of the federal emergency medical relief program which affected perhaps 20,000,000 persons came and passed without leaving anything by way of added knowledge on the incidence of illness or the administration of medical services.

(2) No agency is devoted at present to an orderly program of studying the plans, analyzing administrative techniques, and collecting sound statistical or actuarial information. This is clearly not a function which any governmental department can be expected to undertake. Statutory justification is lacking, several of the departments might be viewed as interested parties, and many or most of the voluntary groups might resent suggestions that they submit information on their operations to a government agency. Conceivably the function might be undertaken by the American Medical Association or an affiliated unit. This, however, might mean involvement in controversies regarding the A.M.A.'s medical economic positions and, in any case, there would remain the question whether a professional organization is as well suited to undertake a research program as a university unit.

(3) It is suggested therefore that advantage be taken of what seems to be an unusually favorable opportunity for setting up a small research center on the voluntary group plans at the University of Michigan. The present dean of the University medical school and Vice President Bruch (who is also chairman

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of the university health science division) are, I understand, definitely interested. Dr. Sinai has for several years been associated with the research activities of the Essex County, Ontario, medical relief scheme, and the Michigan State Medical Society, and of a number of other medical and hospital plans, including the Associated Hospital Service of New York. A governing board consisting of the dean of the medical school, the chairman of the health service division, the head of the public health department, the chairman of the social science division, and the head of the economics department might be set up, if this were desirable. Provision could be made for a real integration of the respective contributions to be made by both medical and social science research.

(4) The proposed program would necessitate field work in order to evaluate the plans selected for study but, most important, it would call for a steady flow of data and experience from the plans to the research unit. In order to facilitate the regular acquisition of information, the research unit would direct its efforts toward a simplified system of reporting illnesses and medical and hospital services. At present one of the greatest obstacles to reporting and analysis is the complex system of record-keeping found in practically all of the plans.

(5) For staff there would be required one man with an M.D. degree, research experience, and a good personality to work with Dr. Sinai's aid — in interesting the participation of voluntary groups, in analyzing relevant background information regarding the plans covered, in formulating definitions and reporting plans, and especially, as the first stage of work recedes, in analyzing the data obtained. A second man, whose salary could be very materially less, would be required for the month-to-month analysis and tabulation of data and their

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presentation. An additional amount would be required for clerical and routine statistical assistance.

The University would contribute Dr. Sinai's services (except for travel costs during the organizational period and to a lesser extent thereafter) in so far as necessary, space in the Rackham Graduate Studies Building, and the use of tabulating equipment (except, perhaps, for supplies, such as hollerith cards, actually used). There would also be the opportunity of utilizing medical school graduate students interested in research in the medical aspects of their profession.

(6) Such a program would necessarily involve substantial costs. Dr. Sinai in discussing this with me estimated that for a three or five year period, an average of \$20,000 a year would be required for salaries, travel, and incidental costs. I personally regard this as distinctly on the modest side. It might be preferable, in terms of making certain of a maximum return from the investment made, to raise this a little.

In any case, expenditures would be on a gradually ascending scale. The first six or twelve months would have to go almost entirely into preparatory and field work, and it would in my judgment be a mistake to expect substantial results in less than  $1\frac{1}{2}$  or 2 years. Less than a three-year program would be futile, and a five-year program might be distinctly preferable. Alternatively, the possibility of presenting after about 2 years the case, if there is one by that time, for a further period would need to be considered.

(7) It should be noted that this is one of the relatively rare instances in which the locating of a research enterprise at a university seems to be readily feasible, under circumstances promising far more than purely formal connection with the university.

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(8) When on January 12th the Committee on Social Security discussed possible policy toward research on medical care and health insurance problems, the development of cooperative research relationships between the universities and the voluntary group plans was one of the only two seemingly practical ideas which emerged. The doubts expressed by some Committee members rested on their fear that it would be difficult to make suitable arrangements, offering a guarantee of sustained and intensive research interest. The plan suggested by Dr. Sinai would seem to meet this test.

It is unfortunate in one sense that this has taken on somewhat tangible form so late in the year. It would be desirable, were this possible, to take the first steps during the summer months. Time, of course, is running against that.

Unless substantial reasons for not doing so arise meantime, I shall however plan to present the substance of the plan at the April 19th meeting of the Committee on Social Security, in order to obtain an expression of views on its importance and feasibility.

I hope that you will let me know of anything further that you might care to have me do on this. I imagine that Sinai will be reluctant to bring matters to the point of having the University submit a formal application until it is clear that there are no prima facie obstacles that would automatically prevent sympathetic consideration. He realizes, of course, that anything that I or any one else might say could in no sense constitute or imply a promise of favorable consideration if an application is submitted.

Sincerely,

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Paul Webbink

PW:AL